EXHIBIT 19

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
THIRD DIVISION

EDISON RUNYAN; DWIGHT PIPES; EARL L. PURIFOY; JOHN ROSS, As the Legal Representative of ELIZABETH ROSS; MARY WEIDMAN, DURAIN WEIDMAN; MARION HARRIS; and VAN R. NOLAN, Each Individually, and on Behalf of All Others Similarly Situated,

Plaintiffs

V. CV 2009-2066

TRANSAMERICA LIFE INSURANCE COMPANY; LIFE INVESTORS INSURANCE COMPANY OF AMERICA; MONUMENTAL LIFE INSURANCE COMPANY; and AEGON USA, INC.,

Defendants

BE IT REMEMBERED, that on the 17th day of September, 2009, the above-referenced cause came before the Honorable Jay Moody for hearing. The proceedings were had and done as follows:

A P P E A R A N C E S

REPRESENTING THE PLAINTIFFS:
TOM THOMPSON, Esquire
CASEY CASTLEBERRY, Esquire
Murphy, Thompson, Arnold, Skinner & Castleberry
Post Office Box 2595
Batesville, Arkansas 72503

STAN P. BAUDIN, Esquire
Pendley, Baudin & Coffin, LLP
24110 Eden Street
Plaquemine, Louisiana 70764

REPRESENTING THE DEFENDANTS:

JOHN K. BAKER, Esquire
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201

JULIANNA THOMAS McCABE, Esquire
Jorden Burt, LLP
777 Brickell Avenue, Suite 500
Miami, Florida 33131

REPRESENTING THE GOAD GROUP OBJECTORS/INTERVENORS:

GREG KITTERMAN, Esquire
Kitterman Law Firm
1101 Garland Street
Little Rock, Arkansas 72201

W. LLOYD COPELAND, Esquire
Taylor Martino Zarzaur, PC
Post Office Box 894
Mobile, Alabama 36601

THE COURT: All right. We are on the record in civil case 2009-2066, Edison Runyan, et al, v. Transamerica Life Insurance Company, et al, here on our third hearing on motion to intervene. Today I understand it is the -- I hope I pronounce this right, Goad --

MR. KITTERMAN: Goad.

THE COURT: -- McCarthy, and White motions, except I think Ms. White has been pulled? For some reason in my memory, White is gone. It's Edwin Jones that's being withdrawn. I'd continue, but she can't hear me.

(Discussion held off the record due to power outage.)

THE COURT: Does anybody have any objection to me granting Evelyn Jones' motion to withdraw her objection?

MS. McCABE: No, Your Honor.

MR. BAUDIN: No, Your Honor.

MR. COPELAND: We withdrew her as a proposed intervenor, too, Your Honor.

THE COURT: We'll start with the easy stuff. That motion will be granted. So we move on to the motion to intervene, which will likely be followed up with a motion to conduct limited discovery, motion for leave to withdraw objections. Well, we've already done

that. And the motion to assess costs. So with that, Mr. Copeland, since you were standing, I'll give you the floor. And you can probably either stand there or at the podium, whichever you are more comfortable with. It makes no difference to us. I'll just let you do whatever you're comfortable doing.

MR. COPELAND: I'm an old-timey lawyer. I'd prefer the podium, Your Honor.

THE COURT: I understand. Some do. So go right ahead.

MR. COPELAND: May it please the Court, there is one other motion that might be easy, if you'd like me to take a crack at that first, Your Honor.

THE COURT: All right. Take them in whatever order you'd like.

MR. COPELAND: That's the motion for late submission of proof of class membership. The defendants said in their responsive document that they didn't have any objection to us filing proof of class membership late for the purpose of speaking at the hearing, as long as we got it before the fairness hearing. And that's been done. So I assume that you-all have no problem with that aspect of it.

MS. McCABE: That's correct.

MR. COPELAND: There may still be an issue with

that relating to the motion to intervene, but there's not as far as appearing at the fairness hearing.

THE COURT: All right.

MR. COPELAND: And did Your Honor want to hear first the motion for limited intervention?

THE COURT: Sure.

MR. COPELAND: Before -- Your Honor, before I talk about what we're trying to do with these motions today and with the objection, let me just touch real briefly on what we're not trying to do.

THE COURT: All right.

MR. COPELAND: We are not here to try to torpedo this settlement. We are not here to try to blow up this settlement so that we can harvest a bunch more plaintiffs. We are -- we, unlike most of the other objectors who filed amicus briefs in federal court in Chattanooga, Tennessee, supporting that federal injunction, we didn't file.

We're not trying to -- as I said, to blow up the hearing. What we are trying to do is to assist the Court in evaluating the settlement, as the settlement is impacted by increased future premiums paid by the class members. And when it comes down to hearing the objection at the hearing, the Court may agree or disagree with the objection. But we believe that

raising that issue is going to give the Court information that's important for it to consider in evaluating the fairness of the settlement. And we come by our opinion of what will assist the Court in evaluating the settlement based on our personal experience.

Mr. Martino and I -- who is not here today because he came down sick, had to go to the doctor. Mr. Martino and I were class counsel in the Skelton v. Central United case that's been cited in all the parties' briefs, which was another national class action settlement involving actual charges supplemental cancer policies. We were class counsel in that case. And we determined, in our opinion, that in order for the settlement to be fair to the class as a whole, that it had to have a target loss ratio to limit future premiums, as opposed to the one-year premium freeze that appears here.

Now, on the motion for limited intervention, intervention solely for the purpose of appeal, let me get one thing out of the way right at the beginning. We asked to intervene both as a right and permissive intervention. And as far as permission of right -- intervention as a matter of right is concerned -- all right.

THE COURT: Give us two seconds so we can let her turn on her recorder on if she needs to.

(Discussion held off the record after power outage.)

THE COURT: All right. We're back up.

MR. COPELAND: Your Honor, as I had said before the blackout, we had originally moved for an intervention both of right and permissive intervention. And they rely on the DeJulius case to say that we can't intervene as a matter of right. And we had tried to distinguish that in our brief. And the more I looked at it, I said, you know, they're right. DeJulius does keep us from intervening as matter of right. So I concede that one. They're right on that one.

So it's a matter of permissive intervention. And that's completely discretionary with the Court. And as I had mentioned earlier, the purpose of the limited intervention is one purpose only, to appeal in the event the objection is overruled. You have to intervene to be able to appeal.

And I just suggest to the Court that the issue is, if the Court does disagree with our objection -- if the Court disagrees with our objection but still thinks that it's seriously debatable, is appellate review appropriate in the best interest of the class as a whole? I suggest that that's the issue before the

Court. And the Court can't really decide that until the Court hears the substantive presentation on the objection at the fairness from us, from the defendants, and all the presentations at the fairness hearing. And in keeping with our original purpose, what we want to do is try to assist the Court with evaluating the settlement.

I would suggest that the Court should defer ruling on the motion to intervene until at the conclusion of the fairness hearing and it has heard everything where it can make a decision, if it does disagree with our objection, whether it thinks that objection is seriously debatable, such an appeal would be appropriate. Until then, the Court can't make this determination. And we can present our objection at the fairness hearing. We don't have to intervene to do that. We can present that as objectors. And I would submit that that is -- would be the appropriate procedure to follow with the objection, defer it on that basis.

Now, I'll be -- let me be perfectly candid with the Court about one thing is that if there is an appeal, it's going to delay the implementation of the settlement. The settlement agreement provides for that. But again, if, after the Court hears everything

that's presented, I would submit that the issue comes, you know, if our objection is seriously debatable, even if Your Honor disagrees with it, does fairness to the class as a whole support delaying that implementation rather than going forward with the settlement that may be unfair to the class as a whole?

And that's what I'm saying procedurally about the intervention for the limited purpose of appeal. We're not going to come back later at the fairness hearing and try to present a whole bunch of new arguments on it because based on what I've said today, the Court can make that decision on whether to allow the intervention based on what it hears and evaluates at the fairness hearing.

Now, there were some procedural responses to the motion to intervene that I can touch on real briefly. The first contention was that we didn't have a pleading attached when the intervention rule requires the claim or defense of a proposed intervenor to be set out in an attached pleading. Well, the attached pleading would have been our objections, which we already filed. The claim or defense isn't applied literally in the class action context.

THE REPORTER: I didn't understand you. The claim or --

MR. COPELAND: If the court reporter didn't understand what I said, it's bad. The claim or defense. The rule requires the claim or defense of the proposed intervenor to be set out in an attached pleading. And in the class action context, that's not applied literally because most objectors -- objectors seeking to intervene usually aren't trying to assert a claim or defense. They're objecting to the settlement on some basis. So our pleading -- our operative pleading for the purposes of the intervention for appeal have already been filed, the objections.

The other -- another contention was that we hadn't filed the intervention motion by the objection deadline. It was filed a little bit after that. First off, there's nothing in the preliminary approval order or the notice that says you've got to file intervention motions by that deadline.

But more importantly, the timeliness factor of an intervention goes to delay and prejudice in an intervenor coming in late and asserting -- wanting to do things that would disrupt the proceedings and things of that nature. That's not the case with our limited intervention. All we want to do is to be able to appeal. We are not proposing to do anything with the intervention that would delay or protract the fairness

hearing. So I would suggest it's timely.

The defendants had also raised the late filing of proof of class membership in this context also. It's completely within the Court's discretion to -- to relieve an objector from a late filing. And if the Court wants to hear why, I can tell you why we late-filed. It was me. I made the mistake.

But the Court has complete discretion to relieve an objector from late filing. It's totally discretionary. And again, for the reasons I just talked about, there is no prejudice. The fairness hearing hadn't even been rescheduled yet. Nobody is going to be prejudiced by it.

There was also -- finally, there was an argument that there must be a unique characteristic for an intervenor for permissive intervention, that the intervenor has to bring something new to the table. We don't do that.

But if you look at where they made that argument in their brief, the federal case they cited was talking about at that point -- was talking about intervention as a matter of right, not permissive intervention. When you go on down in their brief and they quote further from the case, the same court said -- talking about in denying permissive intervention, said

participation as intervenors would not accomplish more than participation as objectors. And that's pretty good logic. But in that case, they didn't seek intervention so they could appeal, which is what we seek to do here, which does accomplish more than just participation as objectors.

And that's pretty much -- that's pretty much what I've got to say on the limited intervention motion. Does Your Honor want me to go through all the rest of them or let these folks reply, or however the Court wants to proceed?

THE COURT: You guys weren't here yesterday, but I had not anticipated ruling on the motions to intervene at least until the end of this hearing, and maybe not until the one last person on October the 1st. So I would prefer to hear each motion separately so if I ask the hearing to be transcribed, I don't have to flip back and forth between arguments. I can go through all this one and then turn the page, go to all the next one. So if it's not too much trouble to keep calling you up, I am going to let them go and use each one.

MR. COPELAND: No problem whatsoever.

THE COURT: All right.

MS. McCABE: Good afternoon, Your Honor. May it

please the Court, Julie McCabe for the defendants. I appreciate Mr. Copeland conceding that there is no right to intervene in this case under the DeJulius authority. I think that will save us some time this morning.

As the Court is well aware, we were here yesterday and we argued two similar motions to intervene filed by other class members in this case. And we argued this those intervenors did not meet the standard for permissive intervention or intervention as a right. And these particular proposed intervenors are no different, Your Honor.

Before we get to Rule 24, I'd like to mention one interesting thing about this motion is basically who has filed this motion and who these proposed intervenors are represented by. These attorneys, Mr. Copeland and Mr. Martino, who is not here today, were the attorneys who represented the plaintiffs in the Skelton case. And the Skelton case is an "actual charges" case against another insurance company unrelated to the defendants here.

That was settled, and these attorneys were proponents of that settlement, as I believe Mr. Copeland mentioned. And that settlement had less relief and narrower relief than this settlement does.

So it's interesting to me that they have filed objections in this case. There are four proposed intervenors here. And as we stated, we did not object to the motion to withdraw the fifth.

Like Mr. Crager and Mr. Shepherd, the plaintiffs' motion in this case does not cite a single authority which permits the intervention they seek. In fact, they only cite the DeJulius and Ballard cases, both of which are authorities that go against them.

And with respect to the procedural issues first, Your Honor, under Rule 24(c), the Court's analysis in this particular instance can begin and end with this rule. This motion does not attach a pleading. And unlike the Crager motion, Your Honor, they have not attempted to cure that defect.

Rule 24(c) states that a motion to intervene must be accompanied by a pleading which sets forth the claim for which intervention is sought. There has been an admission here that there is no claim for which intervention is sought. And these movants have informed the Court that they consider their objections their pleading, which is directly contrary to the procedural rule and the Arkansas Rule of Civil Procedure 7, which defines a pleading as a complaint an answer, etc. An objection, Your Honor, is not a

pleading. And the Arkansas Supreme Court case directly on point is Polnac-Hartman & Association v. First National Bank at 292 Ark. 501, where the Arkansas Supreme Court affirmed the denial of a motion for leave to intervene for this very reason.

The Court found that the proposed intervenor who had not attached a complaint setting forth his claim and who had merely attached some documents which he claimed entitled him to intervene in a dispute over land was defective and that denial of the motion was appropriate, and that a motion to intervene that does not attach a pleading, quote, "Had not shown entitlement to intervene as a matter of right or permissively." This case, Your Honor, can begin and end the discussion on this particular motion.

In the event that the Court does wish to consider the merits of the motion, the purpose of the motion, identified as the sole purpose in the pleading, in the brief, is to attempt to create an appellate remedy for these intervenors as objectors. And that rationale has been also expressly rejected in the Ballard case, where the Arkansas Supreme Court said that the lack of an appellate remedy would be the direct result of an intervenor's strategic election not to opt out. Now, that was a case discussing intervention of right, but

the same analysis applies here.

If you had a chance to opt out and you chose not to, you can't simply create a right to intervene by objecting. And the reason for that is clear. Otherwise, every objector could be an intervenor, so there would be no need for the intervention rule. All you would need to do would be to object. Then you would be an intervenor and you could appeal, and that rule is expressly rejected by the Arkansas Supreme Court.

Even you could intervene in an appropriate basis to preserve your right to appeal the denial of an objection, this motion should be denied because these objections simply contend that these proposed intervenors would have negotiated a different premium rate relief in this case than the class representatives negotiated. And the authorities are well settled, and there are many of them, which say that simply objecting to one type of settlement relief over another is insufficient to support intervention.

Defendants in this case have made some significant concessions in this litigation in order to arrive at this settlement. They have offered millions of dollars of monetary relief and nonmonetary relief to the class. Thousands of class members have registered

for that relief, and they are waiting and wondering whether and when they will receive it.

There are four people in this motion that want to hold up this settlement with the right to appeal after the fairness hearing and deny and delay that relief, and that violates the standard of delay and prejudice under Rule 24(b)(2), where 99.995 percent of the class has neither objected nor moved to intervene, such an objection or a motion to intervene would be inappropriately granted, Your Honor. That's why intervention in a settlement like this is virtually never permitted. That's why it was opposed by these same counsel in the Skelton case successfully. And that's why it should be denied here.

All of the authorities that I mentioned yesterday, Your Honor, during a hearing on the other motions to intervene under Rule 24(b)(2) apply equally. The treatises explain that permissive intervention is generally denied, especially if it would result in delay in the existing action. And I won't rehash all the federal cases that are recited in our briefs, but I'll mention two, just two. The first is In re Domestic Air Transportation case out of the Northern District of Georgia. And that case explained the concept that a simple request to replace one negotiated

form of relief with another violates the principle that the proposed intervenor must bring some unique characteristic to the table that is not already represented.

The existing class representatives in this case made claims related to premiums. They resolved claims related to premiums. They chose a one-year premium rate freeze and an injunction that's going to permit the company to settle these actual charges claims the way it's been doing since 2006, which is going to save the class over $100 million in premium increases over the next 10 years. So this expressed objection simply does not support permissive intervention.

And the second case I'll mention is a Fifth Circuit case which explains that a proposed intervenor's mere dissatisfaction with a single aspect of the settlement relief that they would have allegedly negotiated differently is not sufficient to support permissive intervention. And that's is the In Re Corrugated Container Antitrust case at 643 F. 2d 195. And the Court in that case says, and I quote, "Whether another team of negotiators might have accomplished a better settlement is a matter equally comprised of conjecture and irrelevance." This Court, Your Honor, should exercise its discretion, as most courts always

do, to deny intervention in this case. Thank you.

MR. BAUDIN: Your Honor, Stan Baudin on behalf of the plaintiff class. The proposed intervenors suggest, Your Honor, that their sole purpose for requesting an intervention is so that they, as objectors, may appeal in the event that their objections to the settlement are overruled by Your Honor. They admit that they do not seek to add new claims or parties to the litigation, and they have failed to file a pleading in comport with the Rule 24(c) in this case.

Your Honor, this runs counter, obviously, to the rules and the purpose for an intervention in the first place. If they don't want to add any new claims or parties, then it's really not an intervention at all.

Further, the proposed intervenors suggest that they are not seeking to preserve their own independent claims and rights, but rather they're seeking to preserve appeal rights on behalf of the other absent class members. Your Honor, the proposed intervenors do not represent the absent class members. They cannot intervene to protect the rights of absent class members. And they cannot file any future appeal, if any is even available to them, on behalf of any absent class members in this case.

Your Honor, the Arkansas Supreme Court has

already addressed the intervene to preserve appeal rights issue in the Ballard case, which has already been cited by defense counsel. By choosing to object and attempting to intervene instead of opting out of the case, the proposed intervenors have undertook the risk that their motion to intervene may be denied by this Court and that they would be bound by the settlement.

Your Honor, as pointed out by defense counsel, the proposed intervenors have not met their burden for permissive intervention and they have already conceded here that they do not meet the standard for intervention as of right. They have also failed to show Your Honor that their interests are not adequately represented by the existing class representatives in this case.

Not only would it be extremely prejudicial to the existing parties and the class members if they were allowed to intervene, but it would also cause undue delay in this case, Your Honor. And we've already had enough delay in this case.

Judge, we can find no Arkansas Supreme Court cases, and they have cited none to you, where an intervention has been allowed in a settlement class setting. We believe this to be the case because the

proposed intervenors cannot meet the legal standard under Rule 24, and because all courts recognize and adhere to the established legal principle that settlements are favored under the law.

Allowing interventions in a class settlement setting such as this would have just the opposite effect. It would promote endless, expensive, and time- and resource-consuming contested litigation. And that is not in the best interest of the parties or the class members or this Court. And for all the reasons we outline in our brief, and those stated in oral argument today, we would request that the Court deny the proposed intervention. Thank you, Your Honor.

MR. COPELAND: Your Honor, I think I covered most of the points that they made in my initial presentation, so I'm going to try not to be repetitive. But what most of this boils down to is is that if you don't attach a claim or defense, then you can never have an intervention by an objector in a class action. And objectors in class actions typically don't seek to intervene to assert a new claim or defense. They seek to intervene to point out what they perceive to be flaws with the settlement.

So if that's correct, if they're correct, you can never have an intervention in a class action. But in

the federal system, intervention in a class action is discretionary with the Court, which is what we're asking the Court to do today is to exercise its discretion. Arkansas rules are based on civil rules. And we're asking the Court to exercise its discretion after its heard everything at the fairness hearing. And if the Court does disagree with us, decide if the issue is serious enough to permit intervention for the purpose of appeal.

I was a little -- I was interested to hear the statement about whether a better settlement could be achieved as a matter of equal part of conjecture and speculation, because that's one of my favorite quotes. I've used that defending settlements on various occasions. And it's all true.

The issue is not whether a better settlement could be achieved. The issue is whether this settlement is unfair for the reason that we assert, the lack of a mechanism to reduce the frequency and extent of premium increases in the future. And that's what -- we are going to talk about the substance of that and the nuts and bolts of that at the hearing and why we would ask Your Honor to defer the decision until after the hearing. Does the Court have any questions on this?

THE COURT: You can have a seat. I may, but go ahead. I am going to see what Mr. Baker has to say.

MR. BAKER: Your Honor, I just want to, I guess --

THE COURT: You just want to appear here on the record to justify your presence.

MR. BAKER: I need to somehow show that I have earned some keep here with my client. But what Mr. Copeland is suggesting is something that he needs to take up with the rules committee out at the Supreme Court because what he's suggesting is not anything permitted under either Rule 23 or 24. If you, at the fairness hearing, believe that there is concern or cause that makes this settlement incomplete or unfair or not even fully thought out, he then wants you to permit them to intervene, not as a party, but to take your concerns up.

A, that's not permitted under Rule 23 or 24. But B, if you have those concerns, Rule 23 makes you reformulate it or put it on hold or go to the counsel that's already in the case and say, "I need you to address these things. I need to you look into these before I'm comfortable certifying the settlement." So his procedural theory of how it would go up when you, yourself, are concerned about it, that's not how you

would do it.

I can't imagine that you would say, "Well, I don't really think it works or covers this, but I'll go ahead and approve it anyway." That's not how it works. You have to be comfortable with it and believe that it's fair.

And so this whole logic of how they would intervene, not as a party, but to become some hybrid appellant is nowhere in Rule 24, and it's not anywhere in Rule 23. And it's an interesting theory. But he needs to amend the Rules of Civil Procedure to permit that kind of theory to be a reality. It's not permitted under the rules.

MR. COPELAND: Your Honor, might I say one thing real briefly in response to that?

THE COURT: Yes, sir.

MR. COPELAND: We're not saying that if the Court is uncomfortable with the settlement that the Court should disregard that concern and let us appeal. What we're saying is, as happens all the time, a Court can disagree with a litigant and overrule his objection, but still say, "I disagree with that. But, you know, there is some substance to it."

That's the -- that is what we are looking at. If the Court finds itself in that position at the end of

the hearing, that's what we would be asking the Court to allow the intervention for appeal.

THE COURT: I've got a factual question that may easily be resolved. Somewhere with reading all these pleadings, is one -- I think I know which one, is one of these proposed intervenors already opted out of the class, or are they all still in the class moving to intervene?

Because some of the discussion that I had heard said, "You've got to make an election whether or not to opt out and go about your way or stay in the class and intervene," which was a little contrary to what I thought that one of these parties had opted out but was trying to intervene.

MR. COPELAND: There is none of ours that have opted out that are trying to get back in to intervene.

THE COURT: I don't know why. I couldn't point to it specifically. But I thought in reading -- maybe it was the fact that Jones is withdrawing.

MR. BAKER: There are people who wish to intervene who have not opted out but also have not timely filed claims.

THE COURT: I'm talking about people who have opted out that are trying to intervene.

MR. BAKER: I don't believe --

MR. BAUDIN: I don't think we have.

MS. McCABE: No, Your Honor. There are proposed intervenors who are represented by counsel who also represent opt-outs. But the opt-outs themselves are not attempting to intervene. They have -- those counsel have separate parties.

THE COURT: So if I set aside the timeliness arguments for a moment, everybody who is attempting to intervene has a right to object to the settlement if we set aside the other technical arguments why they shouldn't?

MS. McCABE: Yes, Your Honor. They have objected to the settlement and they have noticed their intent to appear at the fairness hearing. That's correct.

THE COURT: I guess some of them may have done that either late or have some technical deficiencies that I still have to address. But the arguments Mr. Turner had yesterday that we just want to be heard on our objections is going to happen whether I allow them to intervene or not, which is what I understood. But he seemed to argue that absent intervention, he was not going to be heard on his objections.

MS. McCABE: That's not correct, Your Honor.

MR. COPELAND: We can be heard as objectors without intervening. There's no question about that,

Your Honor.

THE COURT: I was given an argument that seemed to indicate otherwise yesterday, and I just wanted to clear that up. I should have done that then.

MR. COPELAND: That's just wrong. I think that's something that for once, we can all agree on something.

THE COURT: So is there no -- as the rules are today, is there no appellate review to my decision on objections to a class action settlement?

MR. COPELAND: I think there --

THE COURT: Absent intervention?

MR. COPELAND: Yes. I think that's correct. I think absent intervention, that there is no right to appeal the denial of objections to the class action settlement, which comes back to one of my points.

THE COURT: I mean, that's what I had understood. And so I'm trying to figure out if this intervention is nothing more than an attempt to end-run that prohibition to appeal my decision. And that may be exactly what it is. I'm not saying that's evil or untoward. I mean, you do what you can do with what you've been dealt. But from what I understand is, these intervention motions are to provide you with a right of appeal that you would not otherwise have.

MR. COPELAND: That we can only acquire -- we can

only acquire if we intervene. That's correct.

MR. BAKER: They're not a party otherwise.

THE COURT: They're not a party for purposes of appeal. They're just class members.

MR. COPELAND: The Arkansas Supreme Court -- or a case that reached that decision on you have to intervene to be able to appeal, that was an offshoot of a U.S. Supreme Court case that decided to the contrary in the federal system. The states have split on that.

But it -- the DeJulius case, of course, says no intervention as a matter of right because you've opted out. It doesn't talk about permissive intervention, which is totally discretionary with the Court. The Court denies that, we can't take Your Honor up on that.

But it seems to me that you are putting an objector in a catch 22 position if -- with permissive intervention, if the theory is that, well, you can't do that either because you're solely trying to gain appeal. Otherwise, there can be no appeal ever from an overruled objection. There can be no appellate review.

THE COURT: Anything further for the record? Did we start without you?

GALLERY: I guess so.

THE COURT: Sorry about that. Anything further before we go off the record?

MS. McCABE: No, Your Honor.

MR. COPELAND: No, sir.

THE COURT: You seem anxious to do something else, Mr. Baker. What do you want to do?

MR. BAKER: No.

THE COURT: We're not going off the record. I guess we're just going on to another subject.

MR. BAKER: That's what I was wondering. I thought we had other things to cover. Yes, sir.

THE COURT: So we move on to the motion to conduct limited discovery. Mr. Copeland, what do you have to say on that issue?

MR. COPELAND: Your Honor, I'm going to say basically the same thing that I said on the last one.

THE COURT: Do you want me to adopt all of that or do you want to say it again?

MR. COPELAND: I am going to try to be as unrepetitive as I can this time. Our original intent when we filed these motions, these motions for limited discovery, just focused on the future premium relief issue, was to ask the Court to look at that, wait and take things, see how the fairness hearing plays out because the whole purpose of this endeavor is to make sure that the Court is comfortable with having enough information to evaluate the settlement. We don't want

to engage in a bunch of duplicative or nonessential discovery. And we recognize that discovery by objectors is not favored. I've deflected discovery attempts by objectors before.

But again, the whole point is for the Court to have enough information where it's comfortable evaluating the settlement. Now, the Court may look at the information at the fairness hearing and say, "I've got enough to make my decision." And what I'm hoping is going to happen, the defendants said in their brief that they had considered a target loss ratio as part of the settlement, but they decided to reject it in view of the regime that they proposed to the Court.

Well, it if that's the case, then they ought to be able, when they present their evidence at the fairness hearing, to tell the Court how certain proposed target loss ratios would affect the settlement, would -- to the class as a whole, what effect that would have. If they can do that at the fairness hearing, then we -- you know, we may not need any discovery. We probably won't if they can produce that information to the Court. I would hope they would produce it in light of the objection we made, that they would make that showing to the Ccourt.

But I think it's -- we don't want to go on a

fishing expedition right now and disrupt these proceedings. If the Court, at the fairness hearing, feels like it's got enough information to reach a decision, an informed decision, that's fine. On the other hand, if the Court, after hearing our objection, says, "I've got some concerns about this," you know, fairness hearings are recessed all the time. At that point, we can take a 30(b)(6) pretty quick. The Court can do an expedited briefing schedule. There's a number of ways the Court can handle it.

But I think it's -- it is premature for us to try to seek discovery right now until the Court sees -- has all the information it has -- it needs at the fairness hearing. If the Court thinks it's got enough, then the Court has got enough. But if the Court thinks it does need some more information, then that's when some form of expedited limited discovery to assist the Court should be considered. Now, if --

THE COURT: Mr. Copeland, since I've got the right, I guess, to decide this without appellate review, don't I have a right to ask for that information myself?

MR. COPELAND: Absolutely. Absolutely.

THE COURT: I've just been granted all kinds of new powers and stuff, so --

MR. COPELAND: I'm sorry, Your Honor.

THE COURT: I was being less than serious about the proceedings, I should say. That's the most polite way I can say it. I'm sorry. I made a smart-ass remark. I'm sorry. I shouldn't say what I did. But I apologize for saying that in the middle of your argument. I didn't mean any disrespect.

MR. COPELAND: Your Honor, being less than serious about my argument, you're not getting a virgin when you do that.

THE COURT: I understand.

MR. COPELAND: That's basically our position on that, Your Honor. If y'all want to talk about this judicial estoppel argument on discovery --

THE COURT: Well, if that's the case, is there any reason to even respond to the motion to conduct limited discovery, since it's not ripe because they're not even asking for it until after the fairness hearing? I mean --

MS. McCABE: Are you -- well, Your Honor, in that case, I think the motion should be denied without prejudice for them to renew the motion if they believe it's necessary after the fairness hearing.

THE COURT: It's probably cleaner that way because that way, I don't forget. I'll deny it without

prejudice. That way, it won't come down because I failed to rule on all the motions.

MR. COPELAND: That's fine.

MR. BAUDIN: Plaintiffs would agree with that, Your Honor.

THE COURT: Motion to produce proof of membership. Did y'all work that out, or partially?

MR. COPELAND: We worked it out for the purpose of appearing and objecting at the fairness hearing; is that right?

MS. McCABE: Yes.

MR. COPELAND: I think they are still raising that in connection with the motion to intervene.

MS. McCABE: Defendants are not -- the remaining proposed intervenors are class members. We concede that.

THE COURT: Okay.

MR. BAUDIN: Same for plaintiffs, Your Honor.

THE COURT: So is there anything for me to do on that motion for leave to submit proof of membership, or is that stipulated, so to speak?

MS. McCABE: We have no objection to your granting that motion, Your Honor.

THE COURT: All right. I'll grant it. I've already dealt with Evelyn Jones. The motion to assess

costs?

MR. COPELAND: That's the last one, I think, Your Honor.

THE COURT: Okay. Let's do it.

MR. COPELAND: Let me be real straightforward and brief on this one, Your Honor. Our position is, they should have told us that hearing was enjoined and they didn't, reimburse us for our time and expenses.

THE COURT: What hearing?

MR. COPELAND: The fairness hearing. The originally fairness hearing on July 27th.

THE COURT: The one the Tennessee judge enjoined?

MR. COPELAND: Right. That these folks didn't tell us about at the end of the table.

THE COURT: I mean, I'm going to take that under consideration. But I think I found out, if it was set on Monday -- is that when it was?

MR. COPELAND: It was set on Monday. There was a Friday afternoon hearing which --

THE COURT: I was informed Sunday at 4 o'clock. I'll tell you that.

MR. COPELAND: I thought it was Saturday. I may be mistaken.

THE COURT: I've got an e-mail that will say when it was. I was informed over the weekend. And whether

or not I picked up that e-mail on Sunday, I'm not going to swear when I read it or when I received it because I don't know. But I know that I was told that a hearing was going to be held and they expected some kind of ruling on Friday. And I know that sometime over the weekend, I was told when it was going to be.

I know that several people showed up not knowing whether or not -- excuse my -- that I was going to comply with the Tennessee judge or not, I suspect. Maybe, maybe not. I don't know. They had no idea what I might do. And that's why some people showed up. Others because they didn't know anything about the hearing being stayed. So I'm commenting a lot of things just -- I'm thinking through my head. But I will -- I am going to deny the motion for costs on that, I think.

MR. COPELAND: I am not going to beat a dead judicial horse. Thank you, Your Honor.

THE COURT: Okay. Through on the record? Going? Going?

MR. COPELAND: I think that's all we have.

MR. BAKER: Your Honor, we appreciate your time.

THE COURT: Gone. Thank you. Off the record.

(Discussion held off the record.)

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C E R T I F I C A T E

STATE OF ARKANSAS)
) SS.
COUNTY OF PULASKI)

I, TAMMIE L. FOREMAN, CRR, RPR, CCR, official court reporter for the Third Division Circuit Court, Pulaski County, Arkansas, certify that I reported the proceedings by stenographic machine shorthand, reporting in the case of

EDISON RUNYAN; DWIGHT PIPES; EARL L. PURIFOY; JOHN ROSS, As the Legal Representative of ELIZABETH ROSS; MARY WEIDMAN, DURAIN WEIDMAN; MARION HARRIS; and VAN R. NOLAN, Each Individually, and on Behalf of All Others Similarly Situated,

Plaintiffs

V. CV 2009-2066

TRANSAMERICA LIFE INSURANCE COMPANY; LIFE INVESTORS INSURANCE COMPANY OF AMERICA; MONUMENTAL LIFE INSURANCE COMPANY; and AEGON USA, INC.,

Defendants

before the Honorable Jay Moody, Pulaski County Circuit Judge, at Little Rock, Arkansas; that said proceedings have been reduced to a transcription by me by means of computer-aided transcription, and the foregoing pages 1 through 35 constitute a true and transcript of the proceedings held to the best of my ability, along with all items of evidence admitted into evidence.

I further certify that I am not a relative or employee of any of the parties, or of counsel, nor am I financially or otherwise interested in the outcome of this action.

I serve as an impartial officer of the court and abide by all professional and ethical principles of the National Court Reporters Association.

WITNESS MY HAND AND SEAL on this 28th day of September, 2009.

TAMMIE L. FOREMAN, CRR, RPR, CCR
Certificate No. 305
Notary Public in and for
Pulaski County, Arkansas

My Commission Expires: 04-18-14

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